

State of California — Franchise Tax Board

California Disaster Relief Tax Provisions

FREEZE 1998

FTB Pub. 1026-P

Introduction

This publication outlines the procedures to take a disaster loss deduction for property damage or destruction resulting from the winter freeze that began on December 20, 1998. Only those losses suffered as a result of this winter freeze are eligible for these special loss provisions. The following counties are affected:

Fresno
Kern
Kings
Madera
Merced
Monterey
Tulare
Ventura

Deducting a loss

A disaster loss is a casualty loss sustained as a result of a disaster which is not reimbursed by insurance or otherwise, and which was sustained in an area designated by the President of the United States or the Governor of California to be in a state of disaster.

You may elect to deduct a disaster loss in the prior tax year if your damaged property is located in an area designated by the President of the United States to warrant assistance. Only the counties listed above are designated areas.

You make an election to deduct the disaster loss in the prior tax year by clearly stating you are making this election, and by completing and filing Form 540, California Resident Income Tax Return; Form 540NR, California Nonresident or Part-Year Resident Income Tax Return; Form 540X, Amended Individual Income Tax Return; Form 100, California Corporation Franchise or Income Tax Return; Form 100S, California S Corporation Franchise or Income Tax Return; or Form 100X, Amended Corporation Franchise or Income Tax Return, by the dates shown under "When to claim your refund or loss." Be sure to complete and attach federal Form 4684, Casualties and Thefts (using California amounts), a copy of federal Form 1040, 1040X, 1120, or 1120X and any supporting schedules that verify your deduction.

If you do not elect to deduct the disaster loss in the prior year, you may deduct the disaster loss on Form 540, Form 540NR, Form 100, or Form 100S for the year in which the disaster occurred.

You must attach a statement to your Form 540, Form 540NR, Form 540X, Form 100, Form 100S or Form 100X which includes the date of the disaster and the location (city and county) of the disaster.

To figure your disaster loss:

- For personal use property, complete federal Form 4684, Section A, using California amounts.
- For property that is trade or business, income-producing or rent or royalty property, complete federal Form 4684, Section B, using California amounts.

Disaster losses may not be taken into account in computing a net operating loss deduction under IRC Section 172.

You may also need to use Schedule D-1, Sales of Business Property; form FTB 3805V, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations —

Individuals, Estates and Trusts; or form FTB 3805Q, Net Operating Loss (NOL) Computation and NOL and Disaster Loss Limitations — Corporations, to report these losses.

Due to legislation enacted in 1999, you may carry over 100% of any excess disaster loss for 5 taxable years. If there is any excess disaster loss remaining after that 5-year period, then 50% of any excess disaster loss may be carried forward for 10 additional taxable years.

Speeding up your refund

Print "FREEZE '98" in red ink at the top of Side 1 of your Form 540, Form 540NR, Form 540X, Form 100, Form 100S, or Form 100X.

When to claim your refund or loss

Personal income tax returns:

Year of Loss	First Tax Year Loss Claimed		
	1997	1998	1999
1998	Claim on amended 1997 return on or before October 15, 1999	Claim on original or amended 1998 return by October 15, 1999.	N/A
1999	N/A	Claim on original or amended 1998 return by October 15, 1999.	Claim on original 1999 return by October 15, 2000.

Corporation returns:

Year of Loss	First Tax Year Loss Claimed	
	Prior Income Year	Income Year in Which the Disaster Occurred
1998	Claim on amended return of prior income year on or before the 15th day of the tenth month after the close of the income year in which the disaster occurred.	Claim on original or amended return (for the income year in which the disaster occurred) on or before the 15th day of the tenth month after the close of the income year in which the disaster occurred.
1999	Claim on amended return of prior income year on or before the 15th day of the tenth month after the close of the income year in which the disaster occurred.	Claim on original or amended return (for the income year in which the disaster occurred) on or before the 15th day of the tenth month after the close of the income year in which the disaster occurred.

Replacing lost or damaged California tax returns

You may replace lost or damaged California tax returns at no cost by completing form FTB 3516, Request for Copy of Tax Return, and printing "FREEZE '98" at the top of the form. You may also write to one of the following addresses, depending on the type of return you are requesting:

For personal income tax or fiduciary return:

RID UNIT PIT
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0001

For bank and corporation, partnership or limited liability company return:

RID UNIT CORP
FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0560

Ordering forms

Internet: If you have Internet access, you may download, view and print California income tax forms and publications. Our website address is:

www.ftb.ca.gov

Phone: Call (800) 338-0505.

To order personal income tax forms, select personal income tax information, then forms request and enter the form code when instructed:

900 for California Resident Income Tax Booklet	
937 for form FTB 3516	909 for Schedule D-1
908 for Form 540X	926 for form FTB 3805V

To order corporate forms, select business entities tax information, then forms request, and enter the form code when instructed:

817 for Form 100	816 for Form 100S
813 for Form 100X	807 for Form FTB 3805Q

Mailing your Form 540, 540NR, or Form 540X

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO, CA 94267-0001

Mailing your Form 100, Form 100S, or Form 100X

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0501

Do you need more information?

In-Person Assistance. Franchise Tax Board representatives are available at our field offices shown below. Our offices are open Monday through Friday from 8 a.m. to 5 p.m.

Bakersfield	1800 30th Street Suite 370
Burbank	333 North Glenoaks Blvd Suite 200
Fresno	2550 Mariposa Street Rm 3002
Long Beach	4300 Long Beach Blvd Suite 700B
Los Angeles	300 S Spring Street Suite 5704
Oakland	1515 Clay Street Suite 305
Sacramento	3321 Power Inn Road Suite 250
San Bernardino	464 W 4th Street Suite 454B
San Diego	5353 Mission Center Rd Suite 314
San Francisco	455 Golden Gate Ave Suite 7400
San Jose	96 North Third Street 4th Floor
Santa Ana	600 W Santa Ana Blvd Suite 300
Santa Rosa	50 D Street Rm 130
Stockton	31 East Channel Street Rm 219
Ventura	4820 McGrath Suite 270
West Covina	100 N Barranca Street Suite 600

Telephone Assistance. Call our general toll-free phone service, which is available:

Between January 3 – April 17, 2000

- Monday – Friday, 6 a.m. until midnight; and
- Saturdays, 7 a.m. until 4 p.m.

After April 17, 2000

- Monday – Friday, 7 a.m. until 8 p.m.
- Monday – Friday, 7 a.m. until 8 p.m.

The best times to call are before 10 a.m. and after 6 p.m.

Call within the United States (800) 852-5711

Call outside the United States

(not toll-free) (916) 845-6500

For federal tax questions,

call the IRS at (800) 829-1040

Asistencia bilingüe en español

Para obtener servicios en español y asistencia para completar su declaración de impuestos/formularios, llame al número de teléfono (anotado arriba) que le corresponde.

Assistance for persons with disabilities

The FTB complies with provisions of the Americans with Disabilities Act. Persons with a hearing or speech impairment call:

From voice phone

(California Relay Service) (800) 735-2922

From TTY/TDD

(Direct line to FTB customer service) .. (800) 822-6268

For all other assistance or

special accommodations (800) 852-5711